

and contracts for construction expected to exceed the simplified acquisition threshold. The contracting officer may, when in the best interest of the Government, insert the clause in solicitations and contracts for construction when the contract amount is expected to be at or below the simplified acquisition threshold.

[67 FR 49259, July 30, 2002]

836.574 Subcontractors and work coordination.

The contracting officer shall insert the clause at 852.236-80, Subcontracts and work coordination, in solicitations and contracts for construction expected to exceed the micro-purchase threshold. When the solicitations or contracts are for new construction work with complex mechanical-electrical work, the contracting officer may use the clause with its Alternate I.

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836.575 Schedule of work progress.

The contracting officer shall insert the clause at 852.236-84, Schedule of work progress, in solicitations and contracts for construction that are expected to exceed the micro-purchase threshold and that do not contain a section entitled "Network Analysis System (NAS)."

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836.576 Supplementary labor standards provisions.

The contracting officer shall insert the clause at 852.236-85, Supplementary labor standards provisions, in solicitations and contracts for construction that are expected to exceed the micro-purchase threshold.

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836.577 Worker's compensation.

The contracting officer shall insert the clause at 852.236-86, Worker's compensation, in solicitations and contracts for construction that are expected to exceed the micro-purchase threshold.

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836.578 Contract changes—supplement.

(a) The contracting officer shall insert the clause at 852.236-88, Contract changes—supplement, in solicitations and contracts for construction that are expected to exceed the micro-purchase threshold.

(b) When negotiated changes exceed \$500,000, paragraph (a) of the clause at 852.236-88 will apply. Because paragraph (a) does not provide ceiling rates for indirect expenses, the contractor must supply cost breakdowns and other supporting data on its rates for indirect expenses as part of its price proposal. The contracting officer must negotiate the rates for indirect expenses with the contractor and may request an audit in accordance with FAR 15.404-2. When the negotiated change will be \$500,000 or less, paragraph (b) of the clause at 852.236-88 will apply.

(c) As provided in FAR 15.403-4, proposals exceeding the cost or pricing data threshold shall be accompanied by certificates of current cost or pricing data. The contracting officer, if authorized by the head of the contracting activity, may require the submission of cost or pricing data for proposals valued at less than the cost or pricing data threshold specified in FAR 15.403-4(a)(1) and may require that the data be certified in accordance with FAR 15.403-4(a)(2).

(d) It is emphasized that the indirect cost rates in paragraph (b) of the clause at 852.236-88, for changes costing \$500,000 or less, are ceiling rates only and the contracting officer must negotiate the indirect expense rates within the ceiling limitations. The clause is a result of an approved FAR deviation pursuant to subpart 801.4.

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836.579 Special notes.

The contracting officer shall insert the clause at 852.236-91, Special notes, in solicitations and contracts for construction that are expected to exceed the micro-purchase threshold.

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